

2008-2009 PERFORMANCE PLAN – Interim Chief Investment Officer (A. Stausboll)

Quantitative Performance Measures

Weight	Factor	Performance Measure	Incentive Schedule
35%	Total Fund	Excess return in basis points relative to: Total Fund Performance Benchmark. (SJ1CA1 - CPERSTO2)	-40 basis points = 0 0 basis points = 1.0 +20 basis points = 1.5
35%	Subtotal	Quantitative Measures	

Qualitative Performance Measures

Weight	Factor	Performance Measure	Incentive Schedule
35%	Interim Leadership and Management of Investment Office	To enhance the alignment between the Investment Office culture and business strategy, provide oversight and direction to accomplish the following: <ul style="list-style-type: none"> • Achieve 90% participation in 360° evaluation process by investment managers • By 3/31/09, complete team building and leadership development program for all INVO employees, including follow-up survey to measure success of outcomes 	From Schedule

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15%	Integrated Approach Across INVO Asset Classes	<p>To achieve a more integrated investment approach across the existing asset classes, provide oversight and direction to accomplish the following:</p> <ul style="list-style-type: none"> • By 10/31/08, establish the structure for and implement a cross-asset class team within the Investment Office to evaluate investment strategies and opportunities that fall outside the traditional asset classes. • By 12/31/08, coordinate and implement within the Investment Office a mechanism for educating staff across the asset classes on the various asset classes and investment programs. • By 6/30/09, develop a unified approach to be used across asset classes for communicating with stakeholders. • By 06/30/09, report to Investment Committee on implementation of the above. 	From Schedule
15%	Pension System Resumption and Enterprise Transition Management	<ul style="list-style-type: none"> • Participate on PSR/ETM Steering Committee. • Support project as it relates to Supplemental Income Plans • [Further detail TBD] 	From Schedule
65%	Subtotal	Qualitative Measures	
100%	Total	Quantitative and Qualitative Measures	